



AN ACT to amend
Tennessee Code Annotated,
Title 67, Chapter 5, Section
2504, relative to invalidation
of tax sales and the damages
that may be awarded.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-2504(c), is amended by designating the existing language as subsection (c)(1), and by adding the following language to be designated as subsections (c)(2), (c)(3), and (c)(4) as follows:

(c)(2) The maximum value that may be awarded to any party owning or holding an equitable interest in the property sold for delinquent taxes, and who failed to receive notice of the sale, as provided by law, in sufficient time to protect their interest, shall be the predevelopment value of the property at the time of the purchase by the successful tax sale bidder, less the taxes owed on the property at the time of the sale, plus interest on the resulting sum from the time of the claim. This procedure controls regardless of whether the delinquent tax attorney or the county trustee failed to notify all parties with an equitable interest in the property sold for taxes, except for fraud or misrepresentation by any person, party or agent for the local government, or collusion between an agent and other party, including those holding an equitable interest. The tax sale need not be invalidated so long as the person claiming failure of process is compensated at the value(s) established herein.

(c)(3) The provisions of this subsection shall only apply in any county or municipality having a population in excess of eight hundred thousand (800,000), according to the 2000 federal census or any subsequent federal census.

(c)(4) If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

Section 2. This act shall take effect July 1, 2010, the public welfare requiring it.